

body control module (BCM). The received signal is compared to an internally stored value by the BCM. If the values match, the key is recognized as valid and a vehicle security password is transmitted through data link to the engine control module to enable fuel and starting of the vehicle.

In GM's petition to modify its exemption, it stated that its Buick Lucerne vehicle line will be equipped with the PASS-Key III+ theft deterrent system for MY 2006. The PASS-Key III+ device will continue to provide protection against unauthorized starting and fueling of the vehicle engine. Components of the modified anti-theft device include a special ignition key and decoder module. The conventional mechanical code of the key will continue to unlock and releases the transmission lever. Before the vehicle can be operated, the key's electrical code must be sensed and properly decoded by the PASS-Key III+ control module. The ignition key contains electronics molded in to the key head. These electronics receive energy and data from the control module. Upon receipt of the data, the key will calculate a response to the data using secret information and an internal encryption algorithm and transmit the response back to the vehicle. The controller module translates the radio frequency signal received from the key into a digital signal and compares the received response to an internally calculated value. If the values match, the key is recognized as valid, and a vehicle security password (one of 65,534), is transmitted through a serial data link to the powertrain control module to enable fuel and starting of the vehicle. If an invalid key code is received, the PASS-Key III+ controller module will send a disable password to the powertrain control module through the serial data bus, and the ignition and fuel systems will be inhibited. GM also stated that the PASS-Key III+ device has the capability for producing billions of codes, which will require centuries to scan to allow someone to steal a vehicle.

GM stated that although its modified anti-theft device provides protection against unauthorized starting and fueling of the vehicle, it does not provide any visible or audible indication of unauthorized entry by means of flashing vehicle lights or sounding of the horn. Since the system is fully operational once the vehicle has been turned off, specific visible or audible reminders beyond key removal reminders have not been provided.

Based on comparison of the reduction in the theft rates of GM vehicles using a passive theft deterrent device with an

audible/visible alarm system to the reduction in theft rates for GM vehicle models equipped with a passive anti-theft device without an alarm, GM finds that the lack of an alarm or attention attracting device does not compromise the theft deterrent performance of a system such as PASS-Key III+. The agency has previously agreed with the finding that the absence of a visible or audible alarm has not prevented these anti-theft devices from being effective protection against theft.

In order to ensure the reliability and durability of the device, GM conducted tests based on its own specified standards. GM provided a detailed list of tests conducted and believes that its device is reliable and durable since the device complied with its specified requirements for each test. The tests conducted included high and low temperature storage, thermal shock, humidity, frost, salt fog, flammability, altitude, drop, shock, random vibration, dust, potential contaminants, connector retention/strain relief, terminal retention, connector insertion, crush, ice, immersion and tumbling. Additionally, GM stated that the design and assembly processes of the PASS-Key III+ device and components are validated for a vehicle life of 10 years and 150,000 miles of performance.

GM compared its MY 2006 anti-theft device with devices which NHTSA has already determined to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements. To substantiate its beliefs as to the effectiveness of the new device, GM compared the MY 2006 modified device to its "PASS-Key"-like systems. GM indicated that the theft rates, as reported by the Federal Bureau of Investigation's National Crime Information Center, are lower for GM models equipped with the "PASS-Key"-like systems which have exemptions from the parts-marking requirements of 49 CFR part 541, than the theft rates for earlier models with similar appearance and construction which were parts-marked. Based on the performance of the PASS-Key, PASS-Key II, and PASS-Key III systems on other GM models, and the advanced technology utilized by the modification, GM believes that the MY 2006 modified anti-theft device will be more effective in deterring theft than the parts-marking requirements of 49 CFR part 541.

On the basis of this comparison, the anti-theft device (PASS-Key III+) for model years 2006 and later will provide essentially the same functions and features as found on its MY 1993-2005 "PASS-Key"-like devices and therefore, its modified device will provide at least

the same level of theft prevention as parts-marking. GM believes that the anti-theft device proposed for installation on its MY 2006 Buick Lucerne vehicle line is likely to be as effective in reducing thefts as compliance with the parts-marking requirements of part 541.

The agency has evaluated GM's MY 2006 petition to modify the exemption for the Buick Lucerne vehicle line from the parts-marking requirements of 49 CFR Part 541, and has decided to grant it. It has determined that the PASS-Key III+ system is likely to be as effective as parts-marking in preventing and deterring theft of these vehicles, and therefore qualifies for an exemption under 49 CFR part 543. The agency believes that the modified device will continue to provide four of the five types of performance listed in Section 543.6(b)(3): promoting activation; preventing defeat or circumventing of the device by unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

NHTSA suggests that if the manufacturer contemplates making any changes the effects of which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

**Authority:** 49 U.S.C. 33106; delegation of authority at 49 CFR 1.50.

Issued on: March 4, 2005.

**Stephen R. Kratzke,**

*Associate Administrator for Rulemaking.*

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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

#### Petition for Exemption From the Vehicle Theft Prevention Standard; Ford

**AGENCY:** National Highway Traffic Safety Administration (NHTSA); Department of Transportation (DOT).

**ACTION:** Grant of petition for exemption.

**SUMMARY:** This document grants in full the petition of Ford Motor Company (Ford) for an exemption of a high-theft line, the Ford Thunderbird, from the parts-marking requirements of the Federal Motor Vehicle Theft Prevention Standard. This petition is granted because the agency has determined that the anti-theft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with

the parts-marking requirements of the Theft Prevention Standard.

**DATES:** The exemption granted by this notice is effective beginning with model year (MY) 2006.

**FOR FURTHER INFORMATION CONTACT:** Ms. Deborah Mazyck, Consumer Standards Division, NHTSA, 400 Seventh Street, SW., Washington DC 20590. Ms. Mazyck's telephone number is (202) 366-0846. Her fax number is (202) 493-2290.

**SUPPLEMENTARY INFORMATION:** In a petition dated December 20, 2004, Ford requested an exemption from the parts marking requirements of 49 CFR part 541, Federal Motor Vehicle Theft Prevention Standard, for the Ford Thunderbird vehicle line beginning in MY 2006. The petition was filed pursuant to 49 CFR part 543, Exemption from Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire line. Based on the evidence submitted by Ford, the agency believes that the antitheft device for the Ford Thunderbird vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the theft prevention standard (49 CFR part 541).

Section 331066(b)(2)(D) of Title 49, United States Code, authorized the Secretary of Transportation to grant an exemption from the parts-marking requirements for not more than one additional line of a manufacturer for MYs 1997-2000. However, it does not address the contingency of what to do after model year 2000 in the absence of a decision under section 33103(d). 49 U.S.C. 33103(d)(3) states that the number of lines for which the agency can grant an exemption is to be decided after the Attorney General completes a review of the effectiveness of antitheft devices and finds that antitheft devices are an effective substitute for parts-marking. The Attorney General has not yet made a finding and has not decided the number of lines, if any, for which the agency will be authorized to grant an exemption. Upon consultation with the Department of Justice, we determined that the appropriate reading of section 33103(d) is that NHTSA may continue to grant parts-marking exemptions for not more than one additional model line each year, as specified for model years 1997-2000 by 49 U.S.C. 33106(b)(2)(C). This is the level contemplated by the Act for the period before the Attorney General's decision. The final decision on whether to continue granting exemptions will be made by the Attorney General at the

conclusion of the review pursuant to section 330103(d)(3).

Ford's submittal is considered a complete petition, as required by 49 CFR 543.7, in that it meets the general requirements contained in § 543.5 and the specific content requirements of § 543.6.

In its petition, Ford provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the line. Ford will install its antitheft device, the SecuriLock Passive Anti-Theft Electronic Engine Immobilizer System (SecuriLock) as standard equipment on the MY 2006 Ford Thunderbird. The system has been voluntarily installed as standard equipment on its Ford Thunderbird line since MY 2002. The antitheft device installed on the Ford Thunderbird includes both an audible and visual alarm system and an engine immobilizer system. The Ford Thunderbird will also have a standard perimeter alarm system which will monitor all the doors, decklid and hood of the vehicle.

The visual and audible features of the standard perimeter alarm system will attract attention to the efforts of an unauthorized person to enter the vehicle by sounding the vehicle's horn and illuminating the front lights. The lights will flash from 4.5 to 5 minutes and the horn will sound 25 to 30 seconds on illegal entry. Once armed, the perimeter alarm system is activated.

In order to ensure the reliability and durability of the device, Ford conducted tests, based on its own specified standards. Ford provided a detailed list of the tests conducted supporting its belief that the device is reliable and durable since it complied with Ford's specified requirements for each test. The environmental and functional tests conducted were for thermal shock, high temperature exposure, low-temperature exposure, powered/thermal cycle, temperature/humidity cycling, constant humidity, end-of-line, functional, random vibration, tri-temperature parametric, bench drop, transmit current, lead/lock strength/integrity, output frequency, resistance to solvents, output field strength, dust, and electromagnetic compatibility.

The Ford SecuriLock is a transponder-based electronic immobilizer system. Ford stated that the integration of the transponder into the normal operation of the ignition key assures activation of the system. When the ignition key is turned to the start position, the transceiver module reads the ignition key code and transmits an encrypted message to the cluster. Validation of the key is determined and start of the

engine is authorized once a separate encrypted message is sent to the powertrain's electronic control module (PCM). The powertrain will function only if the key code matches the unique identification key code previously programmed into the PCM. If the codes do not match, the powertrain engine starter, spark and fuel will be disabled.

Ford stated that there are now 18 quintillion possible codes, and at the time of vehicle assembly, each transponder is also hard-coded with a unique code. Additionally, Ford stated that in model year 2003, the SecuriLock system was upgraded from Read Only Transponder technology to Encrypted Transponder technology. Communication between the SecuriLock transponder, Cluster and the PCM is also encrypted, making key duplication nearly impossible.

Ford stated that its SecuriLock system incorporates an indicator light, a light-emitting diode (LED) that provides a visual indicator to the driver/operator as to the "set" and "unset" condition of the device. When the ignition is initially turned to the "ON" position, a 3-second continuous LED indicates that the device is "unset." When the ignition is turned to "OFF," a flashing LED indicates the device is "set" and provides visual information that the vehicle is protected by the SecuriLock system. Ford states that the integration of the setting/unsetting device (transponder) into the ignition key assures activation of the device.

Ford believes that its new device is reliable and durable because it does not have any moving parts, nor does it require a separate battery in the key. If the correct code is not transmitted to the electronic control module (accomplished only by having the correct key), there is no way to mechanically override the system and start the vehicle. Furthermore, Ford stated that with the sophisticated design and operation of the electronic engine immobilizer system, the SecuriLock electronic engine immobilizer device makes conventional theft methods such as hot-wiring or attacking the ignition lock cylinder ineffective, virtually eliminating drive-away thefts.

The effectiveness of Ford's SecuriLock device was first introduced as standard equipment on its MY 1996 Mustang GT and Cobra. In MY 1997, the SecuriLock system was installed on the entire Mustang vehicle line as standard equipment. Ford stated that the 1997 model year Mustang with SecuriLock shows a 70% reduction in theft compared to the MY 1995 Mustang, according to National Insurance Crime Bureau (NICB) theft statistics. There

were 149 reported theft for 1997 compared to 500 reported thefts in 1995.

As part of its submission, Ford also provided a Highway Loss Data Institute (HLDI) Injury, Collision & Theft Losses publication, dated September 2004, which evaluated the 2002–2003 Ford Thunderbird models equipped with the SecuriLock device. On a scale where one hundred (100) represents the average result for all cars in each loss category, the results as reported by HLDI indicated an average theft loss of eighty-seven convertible Thunderbirds over a two model year period. Results are based on the loss experience of 2001–2003 models from their first sales through 2004. HLDI loss results for 2001–2003 models are stated in relative terms. Since the reintroduction of the Ford Thunderbird equipped with the SecuriLock anti-theft device and Perimeter alarm system as standard equipment, it has seen a very low theft rate. Ford also presented information from NHTSA's Final Theft Data report (69 FR 53354, September 1, 2004) on thefts of 2002 model year passenger motor vehicles that occurred in calendar year 2002. The report showed the Ford Thunderbird having only fourteen thefts out of a production of 28,639 vehicles for the 2002 model year, with a theft rate of 0.4888.

Additionally, Ford stated that its SecuriLock device has been demonstrated to various insurance companies, and as a result AAA Michigan and State Farm now give an antitheft discount for all Ford vehicles equipped with the SecuriLock device.

On the basis of comparison, Ford has concluded that the antitheft device proposed for its vehicle line is no less effective than those devices in the lines for which NHTSA has granted full exemptions from the parts-marking requirements.

Based on the evidence submitted by Ford, the agency believes that the antitheft device for the Ford Thunderbird vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the theft prevention standard (49 CFR part 541).

The agency concludes that the device will provide the types of performance listed in 49 CFR 543.6(a)(3): Promoting activation; attracting attention to the efforts of unauthorized persons to enter or operate a vehicle by means other than a key; preventing defeat or circumvention of the device by

unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

As required by 49 U.S.C. 33106 and 49 CFR 543.6(a)(4) and (5), the agency finds that Ford has provided adequate reasons for its belief that the antitheft device will reduce and deter theft. This conclusion is based on the information Ford provided about its antitheft device.

For the foregoing reasons, the agency hereby grants in full Ford Motor Company's petition for an exemption for the MY 2006 Ford Thunderbird vehicle line from the parts-marking requirements of 49 CFR part 541.

If Ford decides not to use the exemption for this line, it must formally notify the agency, and, thereafter, must fully mark the line as required by 49 CFR 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if Ford wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Section 543.7(d) states that a part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, § 543.9(c)(2) provides for the submission of petitions to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption. The agency wishes to minimize the administrative burden that § 543.9(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes, the effects of which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

**Authority:** 49 U.S.C. 33106; delegation of authority at 49 CFR 1.50.

Issued on: March 9, 2005.

**H. Keith Brewer,**

*Director, Office of Crash Avoidance Standards.*

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## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration

#### Office of Hazardous Materials Safety; Notice of Application for Exemptions

**AGENCY:** Research and Special Programs Administration, DOT.

**ACTION:** List of applications for exemption.

**SUMMARY:** In accordance with the procedures governing the application for, and the processing of, exemptions from the Department of Transportation's Hazardous Material Regulations (49 CFR part 107, subpart B), notice is hereby given that the Office of Hazardous Materials Safety has received the application described herein. Each mode of transportation for which a particular exemption is requested is indicated by a number in the "Nature of Application" portion of the table below as follows: 1—Motor vehicle, 2—Rail freight, 3—Cargo vessel, 4—Cargo aircraft only, 5—Passenger-carrying aircraft.

**DATES:** Comments must be received on or before April 14, 2005.

*Address Comments To:* Record Center, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the exemption number.

#### **FOR FURTHER INFORMATION CONTACT:**

Copies of the applications are available for inspection in the Records Center, Nassif Building, 400 7th Street, SW., Washington DC or at <http://dms.dot.gov>.

This notice of receipt of applications for modification of exemption is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on March 9, 2005.

**R. Ryan Posten,**

*Exemptions Program Officer, Office of Hazardous Materials Safety Exemptions & Approvals.*